

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Capitalisation Issue”	the capitalisation issue referred to in the paragraph headed “Written resolutions of the sole shareholder of the Company passed on 20th May, 2005” in Appendix VI to this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individual or a corporation
“CCASS Participant”	a CCASS broker participant, a CCASS custodian participant, or a CCASS investor participant
“Ciba”	CIBA Specialty Chemicals (Hong Kong) Limited, a supplier of the Group in respect of CD-R and DVD products
“Companies Law”	Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Linfair Holdings Limited (福茂控股有限公司), a company incorporated in the Cayman Islands with limited liability on 8th October, 2002
“Controlling Shareholders”	Mr. Chang, Ms. Hsieh and Polestar
“Del Mar”	Del Mar Avionics, a supplier of optical disc mastering systems to the Group from February 1996 to 1998 and was an engineering company expert in commercialising instrumentation and recording technologies for the medical, military and industrial applications in the US
“Despatch Date”	the date of despatch of share certificates of the Company under the Share Offer, which is expected to be on or about 8th June, 2005
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Excellent Overseas”	Excellent Overseas Limited, a company incorporated in the British Virgin Islands with limited liability on 18th July, 2001 and a wholly owned subsidiary of the Company
“Greater China Region”	the PRC, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Group”	the Company and its subsidiaries, and where the context so requires in respect of the period before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Sponsors”	Somerley and TIS
“Latest Practicable Date”	20th May, 2005, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
“Lead Manager” or “TIS”	TIS Securities (HK) Limited, one of the Joint Sponsors of the Share Offer and a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Linfair (Beijing)”	福茂展業科技(北京)有限公司 (Linfair Engineering (Beijing) Co. Ltd.), a wholly foreign owned enterprise established in Beijing, the PRC on 25th November, 2004 and a wholly owned subsidiary of the Company
“Linfair (BVI)”	Linfair Engineering Service Company Limited, a company incorporated in the British Virgin Islands with limited liability on 9th August, 2001 and a wholly owned subsidiary of the Company
“Linfair (HK)”	Linfair Engineering (H.K.) Co. Limited, a company incorporated in Hong Kong with limited liability on 19th November, 1991 and a wholly owned subsidiary of the Company
“Linfair (Malaysia)”	Linfair Engineering (Malaysia) Sdn. Bhd. (formerly known as Silver Starters Sdn. Bhd.), a company incorporated in Malaysia with limited liability on 19th September, 2001 and a wholly owned subsidiary of the Company

DEFINITIONS

“Linfair (Samoa)”	Linfair Engineering Company Limited, a company incorporated in Samoa with limited liability on 9th November, 2001 and a wholly owned subsidiary of the Company
“Linfair (Shenzhen)”	福茂電子系統(深圳)有限公司 (Linfair Engineering (Shenzhen) Co. Limited), a wholly foreign owned enterprise established in Shenzhen, the PRC on 16th September, 2004 and a wholly owned subsidiary of the Company
“Linfair (Singapore)”	Linfair Engineering (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability on 12th January, 2004 and a wholly owned subsidiary of the Company
“Linfair (Taiwan)”	Linfair Engineering and Trading Limited, a company incorporated in Taiwan with limited liability on 26th September, 1961, and a connected person (as defined under the Listing Rules) of the Company
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Date”	the date, expected to be on or about 10th June, 2005, on which dealings of the Shares on the Stock Exchange commence
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“M2”	M2 Engineering AB, a supplier of the Group in respect of optical disc manufacturing equipment located in Sweden
“Mr. Chang”	Mr. Chang Ei Eu, the president of the Company and an executive Director
“Mr. Chow”	Mr. Chow Kin Ming, the chief financial officer of the Group and an executive Director
“Ms. Hsieh”	Madam Hsieh Ming Chiu, the wife of Mr. Chang and an executive Director
“Non-competition Agreement”	the non-competition agreement dated 20th May, 2005 between the Company, Mr. Chang, Ms. Hsieh and Linfair (Taiwan)

DEFINITIONS

“Offer Price”	the Hong Kong dollar price per Offer Share (exclusive of 1% brokerage, 0.005% SFC transaction levy, 0.002% SFC investor compensation levy and 0.005% Stock Exchange trading fee) of not more than HK\$1.06 and expected to be not less than HK\$0.88 at which the Offer Shares are to be subscribed for and issued pursuant to the Share Offer, such price is to be agreed between the Company and the Lead Manager (on behalf of the Underwriters) at or before the Price Determination Time
“Offer Shares”	the Public Offer Shares and the Placing Shares
“Placing”	the conditional placing of the Placing Shares for cash at the Offer Price, details of which are described in the section headed “Structure of the Share Offer” in this prospectus
“Placing Shares”	the 67,500,000 new Shares initially offered by the Company for subscription in cash at the Offer Price under the Placing (subject to reallocation as described in the section headed “Structure of the Share Offer” in this prospectus)
“Placing Underwriter(s)”	the underwriters of the Placing Shares listed in the paragraph headed “Placing Underwriters” under the section headed “Underwriting” in this prospectus
“Polestar”	Polestar Assets Limited, a company incorporated in the British Virgin Islands with limited liability on 28th November, 2003 and is beneficially owned as to 80% by Mr. Chang and as to 20% by Ms. Hsieh as at the Latest Practicable Date
“Pre-IPO Options”	the options to subscribe for Shares granted by the Company pursuant to the Pre-IPO Share Option Scheme, details of which are set out under the paragraph headed “Pre-IPO Share Option Scheme” in Appendix VI to this prospectus
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme approved and adopted by the Company on 30th March, 2005 (as amended on 20th May, 2005), pursuant to which the Pre-IPO Options are granted, details of which are set out under the paragraph headed “Pre-IPO Share Option Scheme” in Appendix VI to this prospectus
“Price Determination Agreement”	the agreement to be reached between the Company and the Lead Manager (for itself and on behalf of the Underwriters) at or before the Price Determination Time to fix the Offer Price

DEFINITIONS

“Price Determination Time”	the time, expected to be at or before 5:00 p.m. on 2nd June, 2005 (or such other time and date as may be agreed between the Company and the Lead Manager (for itself and on behalf of the Underwriters)), on which the Offer Price is fixed
“PRC”	the People’s Republic of China which, for the purpose of this prospectus, excludes Hong Kong, Taiwan, and the Macau Special Administration Region of the PRC
“Public Offer”	the offer of the Public Offer Shares for subscription by the public in Hong Kong for cash at the Offer Price on and subject to the terms and conditions stated in this prospectus and in the related application forms
“Public Offer Shares”	the 7,500,000 new Shares initially offered by the Company for subscription in cash at the Offer Price under the Public Offer (subject to reallocation as described in the section headed “Structure of the Share Offer” in this prospectus)
“Public Offer Underwriter(s)”	the underwriters of the Public Offer Shares listed in the paragraph headed “Public Offer Underwriters” under the section headed “Underwriting” in this prospectus
“Reorganisation”	the corporate reorganisation which the Group underwent prior to the issue of this prospectus, details of which are described in the paragraph headed “Group reorganisation” in Appendix VI to this prospectus
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Share Offer”	the Placing and the Public Offer
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 20th May, 2005, the principal terms of which are summarised under the paragraph headed “Share Option Scheme” in Appendix VI to this prospectus

DEFINITIONS

“Somerley”	Somerley Limited, one of the Joint Sponsors of the Share Offer and a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Toyo”	Toyo Machinery and Metal Co., Ltd., a supplier of the Group in respect of moulding machines for optical disc manufacturing systems
“Track Record Period”	the three financial years ended 31st March, 2004 and the eight months ended 30th November, 2004
“Underwriters”	the Placing Underwriters and the Public Offer Underwriters
“Underwriting Agreement”	the conditional underwriting agreement dated 26th May, 2005 entered into by, among others, the Company, the executive Directors, Polestar, the Joint Sponsors and the Underwriters in respect of the Share Offer
“US” or “United States”	United States of America
“WTO”	World Trade Organisation
“Yamay Theme Park Project”	the Group’s engineering system project for the Discovery World Theme Park in Taiwan, details of which are set out in the paragraph headed “Theme park show systems” under the section headed “Business” of this prospectus
“EURO”	the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on the European Union
“HK\$” and “cent(s)”	Hong Kong dollar(s) and cent(s) respectively, the lawful currency of Hong Kong
“JPY”	Japanese yen, the lawful currency of Japan
“NT\$”	New Taiwan dollar(s), the lawful currency of Taiwan
“RM”	Malaysian Ringgit, the lawful currency of Malaysia
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SGD”	Singapore dollar(s), the lawful currency of Singapore
“US\$”	United States dollar(s), the lawful currency of the US
“sq.ft.”	square feet
“sq.m.”	square metre(s)

Unless otherwise specified in this prospectus, amounts denominated in EURO, NT\$, RM, RMB and US\$ have been translated, for the purpose of illustration only, into Hong Kong dollars on the following exchange rates:

HK\$9.8448 = EURO1.00

HK\$1.00 = NT\$4.02

HK\$1.00 = RM0.49

HK\$1.00 = RMB1.06

HK\$7.8 = US\$1.00

No representation is made that any amounts in EURO, HK\$, NT\$, RM, RMB or US\$ could have been or may be, exchanged at these rates.